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Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Audit of safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions

Note by the Secretary-General**

1. Pursuant to General Assembly resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999 and 57/279 of 20 December 2002, the Secretary-General has the honour to transmit, for the attention of the Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the audit of safeguarding air safety standards while procuring air services, in particular in the area of cargo airlifts.

2. The Secretary-General takes note of the findings and concurs with the recommendations made in the report, which will enhance policies and procedures for safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions.

* A/59/150.

** The present report could not be submitted prior to the deadline because the review had not been concluded at that time.

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Report of the Office of Internal Oversight Services on the audit of safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions

Summary

Pursuant to General Assembly resolution 57/279 of 20 December 2002, the Office of Internal Oversight Services (OIOS) conducted an audit of safeguarding air safety standards while procuring air services for United Nations peacekeeping missions. As of 31 January 2004, the Department of Peacekeeping Operations deployed 136 aircraft to peacekeeping missions. The Department projected that, owing to the significant increase in peacekeeping operations, over 200 aircraft would be deployed in 2004.

The audit showed that the Department of Peacekeeping Operations has taken significant steps to improve air safety, notably by jointly developing the Aviation Standards for Peacekeeping and Humanitarian Air Transport Operations with the World Food Programme. More recently, the Department stopped procuring cargo aircraft to transport passengers, based on increased safety considerations. However, OIOS found that significant efforts are still needed in the areas of air safety policy setting, procurement and organization and staffing of the Department and peacekeeping mission units responsible for air safety. Other key audit results are discussed below.

Although an accident prevention programme existed in the Department of Peacekeeping Operations, no trend analyses or lessons learned — the most effective tools for accident prevention — have been issued.

For the peacekeeping missions in Sierra Leone, Liberia and Côte d'Ivoire, where a total of 40 aircraft were deployed, a regional aviation safety office would be more cost-effective than deploying aviation safety officers at each mission. This would also help to improve consistency in the application of the Department of Peacekeeping Operations accident prevention programme.

Within the Department of Peacekeeping Operations, the positions of Chief, Air Transport Section, and Chief, Aviation Safety Unit, were frequently vacant for prolonged periods. Furthermore, there was only limited progress in implementing the International Civil Aviation Organization recommendations to the Department for strengthening its civil aviation capacity. In the opinion of OIOS, these factors made it difficult for the Department to develop and sustain a sound air safety strategy.

Regarding procurement, OIOS noted that visits by the Department of Peacekeeping Operations staff to vendor sites to evaluate vendor capability in providing technically acceptable and safe air services were infrequent, reportedly because of budgetary constraints. The Procurement Division and the Department needed to agree on a vendor pre-qualification process to allow wider participation of vendors in United Nations bids while maintaining an acceptable level of scrutiny of the documentation provided by prospective vendors.

There were divergent opinions within the Department of Peacekeeping Operations concerning the appropriateness of procuring cargo aircraft for the purpose of transporting cargo and passengers. This practice was used until 2003. At the

peacekeeping missions in the Democratic Republic of the Congo and Sierra Leone alone, about 50,000 United Nations peacekeeping troops and staff members were transported by cargo aircraft in 2002. After two accidents involving non-United Nations cargo aircraft carrying passengers resulted in mass fatalities in 2002-2003, the Department stopped transporting passengers on cargo aircraft as of April 2004.

Sizeable air operations at some landing sites in the United Nations Organization Mission in the Democratic Republic of the Congo were taking place in the absence of basic ground terminal services and personnel. Moreover, about 60 per cent of the Mission's flights were non-routine for urgent requirements, which in the view of OIOS constituted an unacceptably high volume of such flights. The last three fatal United Nations accidents involved such urgent requirements flights.

OIOS issued 20 recommendations in order to enhance policy and procedures on safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions. The Department of Peacekeeping Operations management agreed with all the recommendations and has started to implement them.

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I. Introduction

1. Pursuant to General Assembly resolution 57/279 of 20 December 2002, the Office of Internal Oversight Services (OIOS) conducted an audit of compliance with air safety standards by the Department of Peacekeeping Operations, peacekeeping missions and the Procurement Division while procuring air services, particularly in the area of cargo airlifts, for United Nations peacekeeping missions.

2. Air services contracts for United Nations peacekeeping missions involve the provision of aircraft, crew and maintenance. As of 31 January 2004, the Department of Peacekeeping Operations deployed to peacekeeping missions 89 aircraft procured through commercial contracts and 47 aircraft procured through letters of assist (i.e. arrangements with contributing member countries). The Department projected that in 2004, the total number of aircraft deployed would exceed 200 owing to the significant increase in peacekeeping operations. From July 2002 to June 2003, expenditures for air services amounted to about $223 million.

3. The audit focused on the procurement of air services through commercial contracts. OIOS previously reviewed the procurement of military aircraft through letters of assist with contributing member countries (see A/57/718). In the current audit, OIOS specifically reviewed 12 long-term air service contracts for aircraft deployed at field missions, totalling $127 million, and 4 short-term air service contracts for the movement of cargo and peacekeeping troops to and from field missions, totalling $5.5 million. These represented the major contracts for the review period. The audit reviewed implementation by the Department of Peacekeeping Operations of the recommendations formulated by the International Civil Aviation Organization (ICAO) in 2000.[1] OIOS visited the United Nations Mission in Sierra Leone (UNAMSIL) and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) to assess safety arrangements in the field. OIOS also coordinated with the Board of Auditors, as mentioned in the report of the Board.[2]

II. Development of air safety standards

4. The Department of Peacekeeping Operations has developed an Air Operations Manual based on the ICAO Standards and Recommended Practices that most States have adopted for civil aviation operations. The Manual was reflected in the common Aviation Standards for Peacekeeping and Humanitarian Air Transport Operations (the Aviation Standards[3]), which were subsequently developed jointly by the Department and the World Food Programme in January 2003 to establish compatibility between the two organizations and to comply with ICAO recommendations.[4] Each peacekeeping mission has in turn developed its own Standard Operating Procedures, which take local conditions into account.

5. However, the Department of Peacekeeping Operations did not formally approve these Standard Operating Procedures, although its Air Transport Section had reviewed them. OIOS did not find evidence that the lack of formal approval by the Department resulted in a specific problem, but was concerned that the Department did not fully exercise its responsibility to monitor compliance by the missions with the Aviation Standards. This was particularly important because several officials at peacekeeping missions stated that United Nations air operations

should not be subject to ICAO civil regulations and, as such, there was a risk that the missions might not strictly adhere to the Department of Peacekeeping Operations Aviation Standards. According to these officials, United Nations air operations are similar to military air operations, therefore compliance with the ICAO Standards and Recommended Practices should not be required. Furthermore, they noted that while commercial airlines are regulated by the State Civil Aviation Authorities, United Nations air operations are conducted in troubled States, making compliance with the ICAO and the Aviation Standards difficult.

6. *The Department of Peacekeeping Operations clarified that its policy regarding charter of civilian registered aircraft was to ensure full compliance with internationally recognized standards of ICAO as well as the recommended aviation practices and regulations of the country of registration and the country of the operator. The Department of Peacekeeping Operations Aviation Standards clearly stated that they applied to all persons or organizations operating and/or maintaining civilian registered aircraft operating for and/or on behalf of the United Nations. The use of State (military) aircraft providing services to the United Nations was governed by the general terms and conditions of a standard letter of assist for provision of air transportation services and was not suited for inclusion in the Aviation Standards. With respect to the lack of formal approval by the Department of Peacekeeping Operations of the peacekeeping missions' Standard Operating Procedures, the Department stated that notwithstanding the review of individual Standard Operating Procedures normally performed by the Air Transport Section, the Department was currently conducting a comprehensive review of all missions' Standard Operating Procedures.* OIOS was satisfied with the Department's clarifications and will follow-up on the results of the comprehensive review exercise.

III. Delegation of authority and staffing issues

7. The Air Transport Section is responsible for establishing United Nations air safety standards and administering long-term contracts for aircraft stationed in peacekeeping mission areas for periods generally exceeding one year. Disbursement for long-term contracts totalled $153 million from July 2002 to June 2003. The Section was established in September 2003 in line with the ICAO recommendations. However, development of the Section was hampered by the absence of a chief. The post remained vacant for more than one year and the individual eventually appointed in September 2003 resigned in February 2004. In addition, although ICAO recommended that the Section's staff be increased to at least 12 qualified professionals from the four assigned at the time of the ICAO 2001 review,[5] the Section had only six professional staff in March 2004. ICAO had also recommended the recruitment of staff with appropriate civil aviation backgrounds;[6] but of the six staff members, five had military aviation backgrounds and only one had a civil aviation background.

8. The Movement Control Unit in the Department of Peacekeeping Operations administers short-term contracts, including those for cargo airlift and for the deployment, rotation and repatriation of peacekeeping troops and their equipment. The cost of such contracts from July 2002 to June 2003 was approximately $70 million.

9. The Aviation Safety Unit in the Department of Peacekeeping Operations is responsible for: promoting air safety awareness; providing advisory services to the Department management for air safety matters; implementing accident prevention programmes through safety assistance visits and surveys of missions; and monitoring the occurrences reported by field aviation safety officers, who implement mission aviation safety programmes. In compliance with the ICAO recommendations, the Unit was established as an independent advisory unit not involved in day-to-day aviation management, which is carried out by the Air Transport Section, the Movement Control Unit and the peacekeeping missions. However, the post of Chief of the Aviation Safety Unit has been vacant since November 2003, which, coupled with the prolonged absence of an Air Transport Section chief, made it difficult for the Department to develop and sustain a sound strategy for air safety in the view of OIOS (Recommendation 1).

10. Field aviation safety officers are responsible for advising peacekeeping mission senior management on aviation safety matters, reporting aviation safety occurrences and safety hazards to the Unit, and establishing and monitoring the accident prevention programme. Currently, the field aviation safety officers only serve their designated peacekeeping missions.

11. There was only one aviation safety officer at the Mission in Sierra Leone. When absent, he is replaced by a staff member of the Mission aviation section. However, this arrangement did not guarantee the independence between safeguarding air safety and air operations, as required by the Aviation Safety Manual, section 1.2.2.

12. At MONUC, only 5 of the 15 approved aviation safety officer posts were filled, and at the time of the OIOS visit, only 2 of the aviation safety officers were actually present in the Mission area. The audit team observed that at one MONUC location, an occurrence had not been reported for more than two weeks, which is well beyond the acceptable lead time. The aviation safety officer stationed at this location was on leave. MONUC and Department of Peacekeeping Operations officials stated that they were fully aware of the staffing situation and were actively interviewing candidates. They cited a lack of qualified candidates and the limited success of their attempts to obtain staff on loan from Governments. OIOS noted that there was no alternate plan to optimize existing resources by, for example, reassigning aviation safety officers from one location to another on a weekly basis (Recommendation 2).

13. Some 40 aircraft are deployed to the West Africa region, which covers the Missions in Sierra Leone, Liberia and Côte d'Ivoire. In the opinion of OIOS, a regional aviation safety office would be more cost-effective than deploying aviation safety officers at each Mission because these three Missions are located close to each other. As pointed out in the ICAO review, consistency in the application of the Department of Peacekeeping Operations aviation safety programme would be improved since a common methodology for surveying air safety would be applied in all three Missions. OIOS is aware that such an arrangement would require peacekeeping missions to share direct and administrative support costs and to design a common reporting procedure (Recommendation 3).

IV. Monitoring of safety occurrences

14. The Aviation Safety Unit conducted 12 safety assistance visits in 2002, but only one in 2003 owing to insufficient staff resources and the rescheduling of visits at the Missions' request.

15. The Aviation Safety Manual prescribes that the Unit will prepare risk and trend analyses and air safety lessons learned based on the safety occurrences collected by field aviation safety officers. In October 2003, the Unit automated the collection of safety occurrences in a Lotus Notes database, which is also intended to function as a central repository of air safety information, including vendor performance and aircraft inspection reports. The Unit planned to provide each field air operation section with read access to the database, but only for their particular missions. The Unit intended to disseminate consolidated safety occurrences to all peacekeeping missions every quarter. In the view of OIOS, read access to the entire database should be made available to all peacekeeping missions on a real-time basis to maximize the benefits of the database (Recommendation 4).

16. Based on the ICAO and United Nations standard for determining the level of risk related to air operations in peacekeeping missions, the Department of Peacekeeping Operations developed a risk analysis module using information provided by the Aviation Safety Officers at peacekeeping missions. On the basis of the returns received from the Missions (128 occurrences reported in 2003), the Aviation Safety Unit prepared a report on trend analysis that was submitted to the Department's senior management in June 2004. The risk analysis was divided into 15 pre-selected categories. For example, emergency response capability and the search and rescue categories were identified as high risk for all peacekeeping missions. *The Department of Peacekeeping Operations commented that the Unit would continue to prepare and circulate that report on a quarterly basis in compliance with the established procedures.* However, OIOS noted the Unit had not been able to formulate trend analyses and lessons learned owing to the lack of resources. Furthermore, safety publications and annual reports on safety issues — which the Aviation Safety Manual identified as examples of the most effective tools for accident prevention — had not been issued. The Unit should ensure that these important tools for accident prevention are made available to peacekeeping missions and the Department of Peacekeeping Operations aviation management at least once a year (Recommendation 5).

17. OIOS also noted that occurrences attributed to specific vendors were not included in the vendor performance reports, which the Department of Peacekeeping Operations and the Procurement Division use in decision-making relating to procurement and contract matters. In the opinion of OIOS, this is a weakness which should be corrected in order to ensure that a vendor performance report reflects the United Nations experience with the vendor accurately and in a timely manner (Recommendation 6).

V. Pre-registration of air service vendors

18. Vendors wishing to participate in bids for the provision of air services must be pre-registered with the Department of Peacekeeping Operations before they are considered for inclusion in the vendor database maintained by the Procurement

Division. The pre-registration requirement exists only for the procurement of air services, owing to the safety risks involved. Pre-registration is based upon satisfactory review by the Air Transport Section of the documentation submitted by the vendor. These documents include, among other things: the air operations certificate issued by the vendor's State civil aviation authorities, which states the approved nature of operations and aircraft type; the operations manual approved by the civil aviation authorities, in which key air safety features, such as crew training, quality assurance programme, air safety maintenance plan and handling of dangerous goods, are detailed; the last five years of safety records; and various insurance documents.

19. Visits to the vendor sites, which are ordinary aviation industry practice to confirm the conclusions of the documentation review, were infrequent owing to budgetary constraints, according to the Air Transport Section. OIOS believes that, considering the safety risks involved and the materiality of the contract amounts, resources should be made available to the Section for regular visits to prospective vendors. These visits should be coordinated by the Air Transport Section, the Movement Control Unit and the Aviation Safety Unit to ensure adequate consideration of both operational and safety issues (Recommendation 7).

20. There were about 230 pre-registered vendors in the Air Transport Section database; however, only about 30 vendors were participating in United Nations invitations to bid on a regular basis. In the view of OIOS, evaluations of vendor capability to provide technically acceptable air services need to be updated for vendors which had not responded to invitations to bid for at least two years. The Section agreed with the OIOS observation and was in the process of purging some 100 inactive vendors from the pre-registration database. OIOS believes that the Air Transport Section should periodically (at least once every two years) update the pre-registration database (Recommendation 8).

21. OIOS reviewed six bids that were posted on the Procurement Division web site from December 2003 to January 2004 (bids Nos. 867, 881, 887, 907, 922 and 923) and found that the Division had invited vendors who were not pre-registered with the Air Transport Section and therefore were not registered on the Procurement Division vendor roster. For example, the Procurement Division file for bid No. 923 showed that eight unregistered vendors had been invited to bid in addition to 109 registered vendors.

22. OIOS further noted that the Procurement Division specifically requested the Air Transport Section to evaluate the pre-registration eligibility of four vendors who had responded to each of the six bids. Three of these vendors failed to include in their initial submissions information such as the current air operations certificate, the operations manual translated into English and the safety records for the five preceding years, as required by the Section. The resubmissions requested by the Section through the Procurement Division were also incomplete and OIOS noted that the Section decided to proceed to the technical evaluation of bids without considering these three vendors, although the Procurement Division did not agree.

23. The Air Transport Section was concerned that the Procurement Division's last minute requests to pre-register vendors would leave the Section with little time to assess whether the vendors met operational and safety requirements. The Section was also concerned that while safety and operational factors were the only factors to be considered in evaluating vendors for pre-registration, the Procurement Division's

requests seemed to be based on the lower prices offered by the vendors in bids Nos. 867 and 881. The Division argued, however, that its mandate requires that it encourage competition and identify opportunities for cost savings, while ensuring that contract award to a vendor is contingent upon successful completion of registration. Moreover, for the Division to undertake adequate market research and pre-registration of new vendors, it requested the Air Transport Section to allow 120 days for the procurement process — from submission of approved requirements to positioning of the aircraft — but the Division was generally allowed only 40 to 60 days. Therefore, in the Division's opinion, the shortage of staff in the Section, time constraints related to requirements of peacekeeping operations and incomplete submission of the required documentation by the vendors, all contributed to the fact that these vendors were not pre-qualified in a timely manner. Based on these comments, OIOS recommends that the Air Transport Section and the Procurement Division jointly define reasonable milestones for the procurement of air transportation services to allow sufficient time for vendor pre-qualification (Recommendation 10).

VI. Certification of cargo aircraft for transporting passengers

24. For over 10 years, the Department of Peacekeeping Operations has been procuring cargo aircraft to transport passengers. Despite specific objections raised by the Aviation Safety Unit since 2000 for the fear of passenger safety, the Air Transport Section has continued to requisition cargo aircraft — the MI-26, IL-76 and AN-26 — for transporting both cargo and passengers, stating that the necessary safety requirements were met. At MONUC and UNAMSIL, about 50,000 United Nations peacekeeping troops and staff members were transported by cargo aircraft in 2002. As of 31 January 2004, eight MI-26, four IL-76 and eight AN-26 aircraft were deployed at six peacekeeping missions. The total value of the corresponding contracts was $74 million.

25. However, according to the Aviation Safety Unit, any alteration made to a cargo aircraft to permit the transportation of passengers must be certified by the operators' national civil aviation authorities in the form of an aircraft-type certification and authorized by the cargo aircraft manufacturer. According to the Unit, the Department of Peacekeeping Operations did not take these steps, which are required because of the much more rigid safety requirements for transporting passengers than cargo. In fact, the invitations to bid used for procuring MI-26, IL-76 and AN-26 aircraft clearly state that the civil aviation authorities' aircraft-type certification and the manufacturer authorization are required.

26. The Air Transport Section stated that when an adequate civil aviation authority aircraft-type certification has been issued, the manufacturer authorization does not carry regulatory authority and is therefore unnecessary. To ensure that adequate aircraft-type certification to transport passengers on cargo aircraft has been obtained, the Section requested confirmations from the civil aviation authorities concerned. Regarding MI-26 aircraft, the Section requested and obtained a document dated 19 November 2002 from the Permanent Mission of the Russian Federation stating that "the Russian civil aviation authorities approved in June 2001 MI-26 to carry personnel for the support of peacekeeping operations." The Ukrainian civil aviation authorities issued an authorization for the IL-76 to transport "United Nations passengers". In 2000, the Section also sought confirmation from

the Ukrainian civil aviation authorities that the eight AN-26 aircraft were certified for passenger transportation. The Ukrainian civil aviation authorities replied in September 2000 that: "this letter is to confirm that [vendor name] operates AN-26. Chapter 2.7 of the operations manual permits transportation of passengers not exceeding the number of seats equipped with seat belts". Based on this confirmation, the Section allowed personnel to be transported on AN-26 aircraft. At MONUC, 14,246 personnel were transported on IL-76 aircraft and 7,700 on AN-26 aircraft, respectively, during 2002. At UNAMSIL, 27,196 passengers were transported on MI-26 aircraft.

27. The former Air Transport Section senior officer, who dealt with the aforementioned aircraft-type certifications, stated that the States in question issued special certifications acknowledging that air services for United Nations peacekeeping missions are, unlike civil aviation, paramilitary activities conducted in remote, unique and dangerous environments. Field aviation officers also stated that peacekeeping missions have used these cargo aircraft to transport personnel without suffering major accidents, proving that aircraft-type certification was not critical to air safety. These officers also noted that, considering the operational requirements for transporting cargo and personnel, it would be much more expensive to transport cargo and passengers on separately certified aircraft.

28. According to the Aviation Safety Unit, there are only three possible aircraft-type certifications — passenger, cargo and "combi". "Combi" certifications relate to aircraft initially designed for passengers that were subsequently converted to carry cargo as well. The Unit noted that MI-26, IL-76 and AN-26 cargo aircraft should not have been procured by the United Nations for the purpose of transporting passengers because the special certifications for MI-26, IL-76 and AN-26 cargo aircraft for "peacekeeping operations" or "United Nations passengers" obtained from the Russian and Ukrainian civil aviation authorities (see para. 26 above) did not fall into the passenger or "combi" types.

29. In line with the Unit's position, in June 2003, the Russian civil aviation authorities confirmed in writing to the Department of Peacekeeping Operations that their 2001 approval of the MI-26 for transporting passengers was exclusively for emergency evacuation related to natural and technical disasters and that regular passenger transportation on MI-26 was not approved. With regard to AN-26, OIOS found that chapter 2.7 of the Operations Manual, as translated into English by the vendor and submitted to the Air Transport Section for pre-registration, was misleading in that it appeared to support certification of passenger transportation on AN-26 aircraft as long as the number of seats equipped with safety belts was available. OIOS found that the title of chapter 2.7 was "minimal crew composition" and therefore the reference to people on board concerned the crew only. The Aviation Safety Unit informed OIOS that representatives of the vendor, when discussing passenger certification of the AN-26 aircraft in June 2003, advised the Department of Peacekeeping Operations that: "the United Nations should review its use of the AN-26 for the transport of passengers and continue to use it only for the transport of cargo".

30. The Department of Peacekeeping Operations has attempted to obtain a clear ruling under the ICAO Standards and Recommended Practices in order to conclude if the special type certifications the United Nations had obtained for AN-26, IL-76 and MI-26 aircraft were adequate and if manufacturer approval was mandatory.

However, according to the Department, the ICAO Standards were not conclusive on these issues.[7]

31. In 2002-2003, there were two massive fatal accidents involving "combi" aircraft, although these accidents were not related to United Nations peacekeeping operations. In May 2003, the cargo ramp door of an IL-76 opened in mid-air over the southern Democratic Republic of the Congo, the Mission area for MONUC, killing over 100 passengers.[8] This prompted the Department of Peacekeeping Operations to issue to the peacekeeping missions a ban on transporting passengers on IL-76 aircraft until further notice. An MI-26 crash in August 2002 killed over 100 Russian troops onboard and prompted an investigation in Russia, which disclosed that Russia had banned passenger and troop transportation on MI-26 aircraft since 1997. In August 2003 the Air Transport Section notified all peacekeeping missions that transporting passengers on IL-76, MI-26 and AN-26 cargo planes would be gradually reduced and completely prohibited by April 2004. Furthermore, on 5 December 2003, the Department of Peacekeeping Operations circulated to all peacekeeping missions a cable instructing that effective 1 April 2004, all cargo type-certificated aircraft should only be used for transporting cargo, except for flights conducted under conditions of emergency evacuation, as defined by a threat to life or loss of limb. In the opinion of OIOS, the Department of Peacekeeping Operations should also establish strict procedures to ensure that the pre-registration of aircraft is based on worldwide acceptable safety requirements (Recommendation 9).

32. Subsequent to the MI-8MTV helicopter crash which killed all 21 passengers and 3 crew members onboard at the United Nations Mission in Sierra Leone in June 2004, OIOS reviewed whether the 49 M-8MTV helicopters contracted by the United Nations since 2002 (aggregated contract value of about $150 million) were adequately certified to carry passengers. The review did not disclose any exceptions.

VII. Technical evaluation of bids

33. For long-term contracts, vendors are required to submit their safety records for the past five years. However, OIOS found that the Air Transport Section had not established criteria, such as maximum number of accidents, seriousness of accidents and adequacy of corrective actions, for accepting these records, but indiscriminately accepted all the safety records provided by the vendors. The Section conceded the need for a better methodology for reviewing vendor safety records. OIOS also found that safety records were not required for short-term contracts, which is questionable considering that safety requirements also exist in short-term contracts (Recommendations 11 and 12).

34. Contract No. PD/CO/44/01, valued at $14 million, involved the provision of four helicopters to MONUC during the period 2001-2003. After the contract was awarded, the vendor submitted a request to replace three of the four helicopters for technical reasons. The Air Transport Section and the Procurement Division agreed with this request without the Section having performed a technical evaluation of the proposal concerning the three new helicopters. The Section officer in charge of this case stated that the necessary documents were checked at the peacekeeping mission level. However, in the view of OIOS, the verification performed at MONUC, which took place after the aircraft had been positioned, presented the risk that the

peacekeeping missions might accept the vendor's helicopters which did not meet the elements of technical evaluation because rejection and replacement of the helicopters would cause delays in meeting operational requirements (Recommendation 13). *The Procurement Division confirmed that the requests for replacement of aircraft were forwarded to the Air Transport Section for its review as a standard practice.*

VIII. Use of brokers

35. The Department of Peacekeeping Operations guideline for technical evaluation and the standard invitation to bid document both state that air operations contracts should be awarded only to companies possessing full operational control of air operations. According to the Department Aviation Standards, full operational control is "the exercise of authority over the initiation, continuation, diversion or termination of a flight in the interest of the safety of the aircraft and the regularity and efficiency of the flight". Generally, the United Nations does not use brokers for air transportation services because it is unclear which of the brokers or their subcontractors possess full operational control. According to some Department aviation officials, brokers give insufficient assurance on compliance with air safety standards owing to the fact that, unlike air operators, they are not subject to governmental regulations and scrutiny. Exceptionally, however, the United Nations allows brokers to participate in bids for short-term cargo movement contracts because they could be more competitive than air operators. *The Procurement Division stated that the brokers used for the provision of freight forwarding cargo movements were required to provide, for safety reasons, as a part of their bid submission, exactly the same documentation required from air operators.*

36. The Aviation Safety Unit informed OIOS that the vendor who executed the long-term contract PD/CO044/01 for the provision to MONUC of four helicopters with crew and maintenance services operated more as a broker of air transportation services than as an air operator. The Unit visited the vendor and found that the crew and maintenance personnel, who were employed by the subcontractor, were not using the operations manual of the vendor who had been awarded the United Nations contract on the basis of its operations manual meeting the United Nations air safety requirements. The Unit considered this evidence that the vendor did not possess full operational control. The Unit was also concerned about the subcontractor's less stringent safety standards and the contractor's failure to provide the crew and maintenance personnel with necessary training before executing the contract. Therefore, the Unit recommended to the Air Transport Section that the contract be terminated. However, OIOS noted that the Section did not accept this recommendation, stating that the contract stipulated that the vendor would bear all responsibility for the contract. In the opinion of OIOS, the Air Transport Section position did not adequately protect the United Nations against the subcontractor's lack of compliance with the Organization's safety requirements and related risks.

37. In order to ensure that the United Nations safety requirements are consistently met, OIOS recommended that when aircraft and personnel are subcontracted by the company awarded the United Nations contract, the Department of Peacekeeping Operations should clearly require vendors to certify and monitor that their subcontractors comply with the United Nations air safety requirements. *The Department of Peacekeeping Operations did not accept this recommendation,*

stating that it did not authorize brokers to undertake long-term charter operations or passenger movements under short-term contact. It was a requirement that the air operator certificate holder, registered with the Department of Peacekeeping Operations, maintain the operational control of the aircraft at all times and retain responsibility and accountability for its effective and efficient performance. That practice was in compliance with accepted international commercial air transport standards. The Department of Peacekeeping Operations further advised that the use of brokers for the short-term cargo movements was also under review. OIOS accepted the Department's clarification, but found it useful to bring this case to the attention of management for closer scrutiny of vendors in future.

IX. Contract management

38. The vendor awarded contract PD/CO/44/01 deployed three helicopters at MONUC a total of 77 days after the planned deployment date (one helicopter was late for 17 days and two others for 30 days). According to the contract, the United Nations was entitled to collect liquidated damages of up to $1.4 million. When notified of the delay by the Air Transport Section on 3 August 2001, the Procurement Division sent an official communication to the vendor stating its intention to collect the $1.4 million, but subsequently did not follow up. OIOS noted that in 2001 the Procurement Division recovered $531,000 under another contract for similar deficiencies. The Division explained that the deployment delay relating to PD/CO/44/01 was not considered to be under the vendor's control because the Ukrainian Government had requested additional inspections of the helicopters. Moreover, the liquidated damages amount had been offset against the value of other capital equipment provided by the vendor at its own cost. OIOS recommends that the Procurement Division fully document the reasons for not having followed up on the recovery of liquidated damages for contract PD/CO/44/01 and apply consistent methods to the collection of liquidated damages from vendors in the future (Recommendation 14).

39. Information on vendors' performance, especially when impacting air safety, should be communicated to all aviation offices involved and ultimately to the Procurement Division, which is the office designated to demand that vendors take necessary corrective actions in meeting air safety requirements. The OIOS review of a sample of MONUC vendor invoices from June 2002 to February 2003 showed that the Air Transport Section certified four payment deductions because aircraft were not available for service owing to technical or maintenance problems for more than the five days per month allowed under United Nations contracts. OIOS, however, found that the records of these deductions were kept individually by the Air Transport Section desk officers and not centrally in the Section. In addition, these records were not reflected in the vendor performance reports and were not communicated to the Procurement Division. As mentioned earlier, occurrences attributed to a specific vendor should be reflected in the appropriate vendor performance report and used as part of decision-making in contract matters (Recommendation 15).

40. OIOS noted that in two instances peacekeeping mission officials accepted the aircraft and signed off on the initial aircraft inspection report without having seen the related contracts stipulating that United Nations air safety requirements be adhered to by the vendors. Some air safety requirements were specific to each

contract. Officials at MONUC and UNAMSIL stated that the Department of Peacekeeping Operations did not provide them with a copy of the contracts before positioning the aircraft. The Air Transport Section officials stated that those situations had occurred because contract signing had been delayed for minor clarifications and logistical reasons. OIOS believes that when the final version of the contract is not ready before aircraft positioning, the Department of Peacekeeping Operations should provide the mission with the most recent draft contract and other relevant documents describing the air safety requirements (Recommendation 16).

41. A prerequisite for air operations is the existence of aviation operations officers and ground terminal services, such as, inter alia, ramp controlling, marshalling, positioning, parking, fuelling and firefighting. However, OIOS found that in Kigali, an officer whose function was unrelated to air operations was performing such operations despite heavy flight schedules. In Lubero, Democratic Republic of the Congo, hand-held fire extinguishers were not provided until months after air operations had commenced. In Kindu, Democratic Republic of the Congo, owing to communication equipment malfunctions which lasted for more than two weeks, daily flight information had not been made available to the air terminal officers until less than an hour before the actual landing of the aircraft. (Daily flight information should be available 12 hours before aircraft arrive.) In Bukavu, Democratic Republic of the Congo, air operations officers were not provided with cellular phones and some flights had to return after taking off because bad weather conditions at the destination could not be communicated to the officers. According to MONUC air operations officers, a deployment plan stating basic ground terminal services had been prepared but was not implemented owing to the lack of personnel and communication equipment and the low priority assigned to ground air terminal services by the Mission. The Department of Peacekeeping Operations should establish a procedure requiring all peacekeeping missions to certify the availability of critical ground terminal functions before commencing air operations in new landing sites. In the meantime, the Department should correct the weaknesses identified at MONUC without delay (Recommendations 17 and 18).

42. During November 2003, 721 commercial and 174 military flights took off from MONUC. OIOS found that about 60 per cent of these flights were to transport non-routine cargo and to accommodate urgent requirements and VIP movements. MONUC officials stated that the large number of non-routine flights was due to the frequent changes in requirements, the low level of infrastructure and the sheer size of the Mission area. They also stated that MONUC planned to strengthen its flight planning procedure by creating a joint movement control function to mitigate the problem of frequent non-routine flights. In the view of OIOS, the resolution of this issue should be given urgent consideration considering that the last three fatal United Nations accidents occurred on non-routine flights (Recommendation 19).

43. Communications between UNAMSIL and the Air Transport Section pertaining to air services contract management were lost or remained unanswered for months in some instances. In several cases, the intended recipient was not correctly identified, or there was no back-up for staff on leave. Although e-mail communication was available, most communication exchanges, including the lost ones, were via fax. Furthermore, UNAMSIL officials stated that their counterparts at the Section were not clearly identified. In the view of OIOS, the Air Transport Section should establish communication procedures with UNAMSIL detailing

contact points and back-up staff and using e-mail instead of fax (Recommendation 20).

X. Recommendations

44. As a result of this audit, OIOS makes the following recommendations, which are intended to enhance policy and procedures on safeguarding air safety standards while procuring air services for the United Nations peacekeeping missions.

Recommendations 1-3: Delegation of authority and staffing issues

45. The Department of Peacekeeping Operations should:

- Increase its efforts at filling vacancies in air operation management functions at Headquarters and in the field (AN2003/600/01/01)
- Help peacekeeping missions, such as MONUC, develop a strategy to maximize air safety coverage in the absence of sufficient staff resources. For example, aviation safety officers in large missions could rotate from one mission area to another on a weekly basis (AN2003/600/01/02)
- Consider establishing a regional aviation safety office in West Africa to alleviate the chronic insufficiency of aviation safety officer resources and improve the application of the Department of Peacekeeping Operations aviation safety programme (AN2003/600/01/03).

46. *The Department of Peacekeeping Operations concurred with recommendation 1 and confirmed that only the position of the Chief, Air Transport Section, was currently vacant. The recruitment process for this position is in progress. The Department stated that its ultimate goal was to attain full staffing to support peacekeeping operations.*

47. *The Department of Peacekeeping Operations stated that the implementation of recommendation 2 was in progress. The recommendation for rotating staff was not practical owing to the very low number of qualified aviation safety professionals in the missions. However, MONUC used that practice to meet urgent operational requirements on a case-by-case basis.*

48. *The Department of Peacekeeping Operations had acted on recommendation 3. The project paper for the implementation of the aviation safety regional concept for West Africa was under development and upon completion would be submitted to the Director, Logistics Support Division, for consideration. The Department expected to complete that paper by 31 October 2004.*

Recommendations 4-6: Monitoring of safety occurrences

49. The Department of Peacekeeping Operations should:

- Ensure that the Aviation Safety Unit provides read access to the aviation safety occurrences database to all peacekeeping missions on a real-time basis to disseminate and promote lessons learned at each peacekeeping mission (AN2003/600/01/04)
- Ensure that safety occurrence risk and trend analyses and other lessons learned are made available to peacekeeping missions and the Department of

Peacekeeping Operations aviation management at least once a year (AN2003/600/01/05)

- Establish a procedure for including aviation safety occurrences attributed to specific vendors in vendor performance reports in order to help establish patterns of aviation safety occurrences and to enhance contract decision-making (AN2003/600/01/06).

50. *With respect to recommendation 4, the Department of Peacekeeping Operations stated that since January 2002, the Aviation Safety Unit prepared and disseminated consolidated occurrences reports to all peacekeeping missions on a quarterly basis. The real-time read access to the aviation safety occurrences databases would be provided to all missions (including the new missions) after the full implementation of the module. That issue would be discussed further during the upcoming Aviation Safety Seminar, to be held in Brindisi, Italy, in October 2004.*

51. *The Department of Peacekeeping Operations concurred with recommendation 5, stating that the Aviation Safety Unit had not been able to prepare the Annual Safety Report for 2003 owing to the lack of staffing resources. The report for 2004 would be submitted during the first quarter of 2005. In addition to the Aviation Safety Unit action, the Air Transport Section, as part of its Quality Assurance Programme, had been disseminating a performance review on mission compliance activity, including compilations of corrective actions related to analysis of negative trends in Department of Peacekeeping Operations air operations. That review process had not been maintained owing to the lack of resources. However, the Department's Aviation Seminars had served as the ideal forum to discuss such cases with field mission aviation specialists in order to share knowledge, experience and lessons learned.*

52. *The Department of Peacekeeping Operations accepted recommendation 6, stating that the Aviation Safety Unit had been providing the Air Transport Section with mission occurrence reports for assessment of flight vendor's safety records, as part of the technical evaluation of bids. Analysis of occurrences reported was taken into account to determine the safety posture of the air carriers. The Department would review current performance report formats to include occurrence history during the next reporting period.*

Recommendations 7-9: Pre-registration of air service vendors and certification of cargo aircrafts for transporting passengers

53. The Department of Peacekeeping Operations should:

- Ensure that the Air Transport Section is provided with sufficient resources to conduct regular visits to prospective air service vendors. The visits should be coordinated with the Aviation Safety Unit and Movement Control Unit (AN2003/600/01/07)

- Ensure that inactive vendors are removed from the vendor pre-registration database maintained by the Air Transport Section and that the database is updated periodically, at least once every two years (AN2003/600/01/08)

- Strengthen its pre-registration procedure, especially regarding aircraft-type certification, to ensure that aircraft procured for passenger transportation

actually meet air safety requirements for passenger aircraft types (AN2003/600/01/09).

54. *The Department of Peacekeeping Operations agreed with recommendation 7, confirming that only a limited number of visits could be undertaken owing to the current staffing constraints. Significant resource augmentation would be needed to enable the conduct of a comprehensive assessment of at least 25 air operators annually. The additional resources would allow visits which would improve the vendor pre-qualification process and enhance continued and intensified surveillance (including safety and quality inspection) of air carriers.*

55. *The Department of Peacekeeping Operations concurred with recommendation 8, stating that the Air Transport Section had been updating the vendor registration database since 2002 to align the pre-qualification process with the Department's Aviation Quality Assurance programme that conformed to the International Convention on Civil Aviation. It was planned that, by the end of August 2004, over 100 air operators would be removed from the database and approximately 120 air operators would be retained. The updated roster would be sent to the Procurement Division for harmonization with its roster for commercial air operators.*

56. *With respect to recommendation 9, the Department of Peacekeeping Operations assured that it would place more emphasis on assessing the categorization of an air operator for passenger aircraft during the pre-qualification process. The Technical and Operational Evaluation Criteria checklist had been revised in March 2003 and required the operator to provide Operations Specifications as described in ICAO document No. 8335, which included a list of make and model of its aircraft authorized for scheduled air transport.*

57. The Procurement Division and the Department of Peacekeeping Operations Air Transport Section should jointly define reasonable milestones for air transportation services procurement to allow sufficient time for vendor pre-qualification (AN2003/600/01/10).

58. *The Department of Peacekeeping Operations concurred with the recommendation and has proposed a minimum of 10 days for vendor pre-qualification assessment, which is under discussion with the Procurement Division. The Procurement Division also agreed to the recommendation and stated that it would commence discussion with the Air Transport Section to explore mutually acceptable arrangements to be in place by the end of the third quarter of 2004.*

Recommendations 11-13: Technical evaluation of bids

59. The Department of Peacekeeping Operations should:

- Ensure that the Air Transport Section establishes clear criteria, such as maximum number of accidents, seriousness of accidents and adequacy of corrective actions, against which vendor safety records would be technically evaluated (AN2003/600/01/11)
- Ensure that vendor submission of safety records is required for all air service contracts, including short-term and long-term contracts (AN2003/600/01/12)
- Ensure that the Air Transport Section applies normal technical evaluation procedures to aircraft proposed for substitution before they are positioned in the field (AN2003/600/01/13).

60. *The Department of Peacekeeping Operations concurred with recommendations 11 and 12 and indicated that discussions were ongoing between the Air Transport Section and the Aviation Safety Unit in order to establish criteria for review and evaluation of the safety records submitted by the vendors. The new methodology would be implemented by 31 December 2004.*

61. *The Department of Peacekeeping Operations concurred with recommendation 13, stating that it would ensure full compliance with established procedures relating to substituted aircraft.*

Recommendations 14-20: Contract management

62. The Procurement Division should fully document the reasons for not following up on the recovery of liquidated damages for contract PD/CO/44/01 and apply consistent methods to the collection of liquidated damages from vendors (AN2003/600/01/14).

63. *The Procurement Division agreed to the recommendation and stated that it would conduct a further review of the circumstances in that case. The Procurement Division further stated that it would develop pre-defined criteria for imposition of liquidated damages by the end of third quarter of 2004 and would consult with technical offices for the issues that potentially affected positioning of aircraft.*

64. The Department of Peacekeeping Operations should:

- Ensure that the records of vendor payment deductions for unsatisfactory service are centrally maintained by the Air Transport Section and communicated to the Procurement Division for inclusion in vendor performance reports (AN2003/600/01/15)
- Ensure that copies of air operation contracts are available at the peacekeeping missions before the positioning of aircraft and aircraft inspections. When the final version of a contract is not yet available, a draft contract or other relevant documents describing air safety requirements should be provided to the field (AN2003/600/01/16)
- Establish a procedure whereby peacekeeping missions must certify the availability of critical ground terminal functions before commencing air operations in new landing sites (AN2003/600/01/17)
- Monitor actions taken by MONUC to assure critical air terminal functions at Kigali, Kindu, and Bukavu (AN2003/600/01/18)
- Monitor actions taken by MONUC to strengthen flight planning procedures in order to reduce non-routine flights (AN2003/600/01/19)
- Ensure that the Air Transport Section: (i) establishes communication procedures with UNAMSIL detailing contact points and back-up staff; and (ii) uses e-mails instead of fax to ascertain effective communication between the two offices (AN2003/600/01/20).

65. *The Department of Peacekeeping Operations concurred with recommendation 15. Within the limitations of personnel resources, the Air Transport Section will establish a central recording system to facilitate the reporting on unsatisfactory services to the Procurement Division.*

66. *The Department of Peacekeeping Operations concurred with recommendation 16. It is now standard practice that, where a contract is not available to the Air Transport Section prior to positioning of an aircraft at the field, a draft contract or other relevant documents will be provided to the mission.*

67. *The Department of Peacekeeping Operations stated that recommendation 17 had been implemented prior to the audit. The Department pointed out that the Chief Administrative Officer/Director of Administration and the Chief Aviation Officer were responsible, through the risk management process, for ensuring that landing sites were properly assessed. A booklet on Standard Generic Airfield Job profiles and aviation support equipment had been developed by the Air Transport Section in 2002 to guide the missions.*

68. *The Department of Peacekeeping Operations concurred with recommendations 18 and 19 and will monitor compliance with established procedures to enhance efficiency in air operations activities.*

69. *The Department of Peacekeeping Operations stated that recommendation 20 had been implemented and communication between UNAMSIL and the Air Transport Section had improved significantly.*

(*Signed*) Dileep **Nair**
Under-Secretary-General
Office of Internal Oversight Services

Notes

[1] Report of ICAO: Review of aviation safety in Department of Peacekeeping Operations operations.

[2] *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5* (A/58/5), vol. II, para. 118.

[3] Formally entitled AVSTADS by the Department of Peacekeeping Operations.

[4] Recommendation 1.4.4/1 of ICAO review of aviation safety in Department of Peacekeeping Operations operations.

[5] Recommendation 1.4.8/2 of ICAO review of aviation safety in Department of Peacekeeping Operations operations.

[6] Recommendation 1.4.2/1 of ICAO review of aviation safety in Department of Peacekeeping Operations operations.

[7] ICAO Standards and Recommended Practices: Part 1 of ICAO Rule: Type Certification 1.2-1.4.

[8] The company operating this particular IL-76 is an active vendor for MONUC.